



MICHIGAN

To: Honorable Members of the House Commerce Committee

From: Charles Owens, State Director

Date: May 22, 2012

RE: Senate Bill 1085 – Fair and Open Competition in Bidding

We are writing to you to ask for your support of Senate Bill 1085 that would clarify the language of recently passed Public Act 98. PA 98 prohibits union-only project labor agreements and allows all contractors, regardless of union or non-union affiliation, to have equal access to competitively bid for any and all public construction project contracts.

The changes to this important Public Act are necessary due to recent actions by the federal court that suggest that the intent and certain sections of the law are not clear.

Project Labor Agreements are discriminatory to many small non-union companies, which are shut out of the bidding process. When non-union contractors – who make up the vast majority of construction firms – are prohibited from bidding on projects funded with public dollars, taxpayers are forced to pay inflated costs due to the limitations on open bidding. This is unwise stewardship of the tax dollars entrusted to government by the citizens.

NFIB represents more than 10,000 small businesses in the state of Michigan and we establish our policy position on issues by a survey-ballot process of our membership. We have asked our members for their position on the issue of "project labor agreements" and they have made it clear that they support legislation to end this practice:

Should Michigan prohibit Project Labor Agreements?

Yes - 77.2 %

No - 12.3 %

Undecided - 10.5 %

Again we ask you to support SB 1085.

This will be a key vote for NFIB in this session.